

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

**INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS**

JUNE 30, 2015

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**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

OFFICIALS

<i>NAME</i>	<i>TITLE</i>	<i>REPRESENTING</i>
Jim Stubbs	Board Member	Webster County
Kevin Doty	Board Member	City of Fort Dodge
Merrill Leffler	Board Member	Webster County
Bruce McCormack	Board Member	City of Gowrie
Jeff Nemmers	Board Member	City of Fort Dodge
Barb Passow	Board Member	City of Clare
Rod Strait	Board Member	Webster County
Roger Porter	Board Member	City of Fort Dodge

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Members of the Webster County Metropolitan
Law Enforcement Telecommunications Board:

Report on the Financial Statement

We have audited the accompanying financial statement of the Webster County Metropolitan Law Enforcement Telecommunications Board (Telecommunications Board), as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statement based on our audit. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Telecommunications Board's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Telecommunications Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statement referred to on the preceding page presents fairly, in all material respects, the cash basis financial position of the Webster County Metropolitan Law Enforcement Telecommunications Board as of June 30, 2015 and 2014, and the changes in its cash basis financial position for the years then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, the financial statement was prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Emphasis of a Matter

As disclosed in Note 3 to the financial statements, Webster County Metropolitan Law Enforcement Telecommunication Board adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

The other information, Management's Discussion and Analysis, the Schedule of the Webster County Metropolitan Law Enforcement Telecommunications Board's Proportionate Share of the Net Pension Liability and the Schedule of Webster County Metropolitan Law Enforcement Telecommunications Board's Contributions on pages 4 through 6 and on pages 14 through 17, has not been subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 20, 2016 on our consideration of the Webster County Metropolitan Law Enforcement Telecommunications Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Webster County Metropolitan Law Enforcement Telecommunications Board's internal control over financial reporting and compliance.

Schnur & Company, LLP

Fort Dodge, Iowa
March 20, 2016

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Webster County Metropolitan Law Enforcement Telecommunications Board provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities of the Webster County Metropolitan Law Enforcement Telecommunications Board is for the fiscal years ended June 30, 2015 and 2014, respectively. We encourage readers to consider this information in conjunction with the Telecommunications Board's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- Operating receipts increased 2.21% or \$9,884 from June 30, 2014 to June 30, 2015.
- Operating disbursements increased 3.71% or \$15,937 from June 30, 2014 to June 30, 2015.
- The Telecommunication Board's cash balance increased 41.12% or \$30,419 from June 30, 2014 to June 30, 2015.

USING THIS ANNUAL REPORT

The Telecommunications Board has elected to present its financial statements on the cash basis of accounting. The cash basis of accounting is a basis of accounting other than U.S. generally accepted accounting principles. Basis of accounting refers to when financial events are recorded, such as the timing for recognizing revenues, expenses and the related assets and liabilities. Under the cash basis of accounting, revenues and expenses and the related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues and liabilities and their related expenses are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

The annual report is presented in a format consistent with the presentation of Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the cash basis of accounting.

This discussion and analysis is intended to serve as an introduction to the financial statements. The annual report consists of the financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the financial statements and provides an analytical overview of the Telecommunications Board's financial activities.
- The Statements of Cash Receipts, Disbursements and Changes in Cash Balance presents information on the Telecommunication Board's operating receipts and disbursements and whether the Telecommunications Board's cash basis financial position has improved or deteriorated as a result of the year's activities.
- Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the financial statements.
- Other information further explains and supports the Telecommunications Board's proportionate share of the net pension liability and related contributions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE TELECOMMUNICATIONS BOARD

Statements of Cash Receipts, Disbursements and Changes in Cash Balance

The purpose of the statement is to present the receipts received by the Telecommunications Board and the disbursements paid by the Telecommunications Board, both operating and nonoperating. The statement also presents a fiscal snapshot of the cash balance at year-end. Over time, readers of the financial statement are able to determine the Telecommunications Board's cash basis financial position by analyzing the increase and decrease in cash balances.

The majority of the operating receipts are received for assessments from the members of the Telecommunications Board and E-911 Service Board fees. Disbursements are paid to operate the Call Center. A summary of cash receipts, disbursements and changes in cash balance for the years ended June 30, 2015 and 2014 is presented below:

	Year Ended June 30,	
	2015	2014
Operating Receipts:		
Member assessments	\$ 406,662	\$ 395,293
Webster County E-911 service board fees	51,028	49,176
Miscellaneous income	30	3,367
Total operating receipts	457,720	447,836
Operating Disbursements:		
Salaries and benefits	405,575	388,840
Maintenance	4,246	4,164
Terminal billings	14,484	14,556
Office supplies	1,640	1,818
Utilities	8,974	8,760
Professional services	5,913	5,622
Insurance	209	602
Miscellaneous	4,707	5,449
Total operating disbursements	445,748	429,811
Excess of operating receipts over operating disbursements	11,972	18,025
Non-operating Receipts:		
Proceeds from stock sale	18,189	-
Dividends	258	402
	18,447	402
Change in cash balance	30,419	18,427
Cash balances beginning of year	73,980	55,553
Cash balances end of year	\$ 104,399	\$ 73,980

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE TELECOMMUNICATIONS BOARD (Continued)

Statements of Cash Receipts, Disbursements and Changes in Cash Balance (Continued)

In fiscal 2015, operating receipts increased 2.21%, or \$9,884, from fiscal 2014. Member assessment receipts increased 2.88% from fiscal 2014. In fiscal 2015, operating disbursements increased 3.71%, or \$15,937, from fiscal 2014. The increase in disbursements was primarily due to an increase in salaries and benefits.

ECONOMIC FACTORS

The financial position of the Telecommunications Board increased in the current fiscal year. The current condition of the economy in the state continues to be a concern for Telecommunications Board officials. Some of the realities that may potentially become challenges for the Telecommunications Board to meet are:

- Cost of living increases.
- Cost of insurance increases.
- The cost of benefits for long-term employees.

The Telecommunications Board anticipates the current fiscal year will be very much like the last and will maintain a close watch over resources to maintain the Telecommunications Board's ability to react to unknown issues.

CONTACTING THE TELECOMMUNICATIONS BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Telecommunications Board's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Webster County Metropolitan Law Enforcement Telecommunications Board, 702 1st Avenue S., Fort Dodge, Iowa 50501.

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

FINANCIAL STATEMENTS

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD
STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
As of and For the Years Ended June 30, 2015 and 2014**

Exhibit A

	2015	2014
Operating Receipts:		
Member assessments	\$ 406,662	\$ 395,293
Webster County E-911 service board fees	51,028	49,176
Miscellaneous income	30	3,367
Total operating receipts	457,720	447,836
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Non-operating Receipts:		
Proceeds from stock sale	18,189	-
Dividends	258	402
	18,447	402
Change in cash balance	30,419	18,427
Cash balance beginning of year	73,980	55,553
Cash balance end of year	\$ 104,399	\$ 73,980
Cash Basis Fund Balance:		
Unrestricted	\$ 104,399	\$ 73,980

See Notes to Financial Statements.

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Webster County Metropolitan Law Enforcement Telecommunications Board was formed in 1975 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Telecommunications Board is to provide uniform law enforcement and emergency communications to the citizens of Webster County.

The Telecommunications Board is composed of three representatives appointed by the Webster County Board of Supervisors, three representatives appointed by the Fort Dodge City Council and two representatives appointed from the remaining member cities. The participating cities are Badger, Barnum, Callender, Clare, Dayton, Duncombe, Fort Dodge, Gowrie, Harcourt, Lehigh, Moorland, Otho and Vincent.

A. Reporting Entity

For financial reporting purposes, the Telecommunications Board has included all funds, organizations, agencies, boards, commissions and authorities. The Telecommunications Board has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Telecommunications Board are such that exclusion would cause the Telecommunications Board's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Telecommunications Board to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Telecommunications Board. The Telecommunications Board has no component units that meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The accounts of the Telecommunications Board are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services supported by user charges.

Enterprise Funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

C. Basis of Accounting

The Telecommunication's Board maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the Telecommunications Board is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statement does not present the financial position and results of operations of the Telecommunications Board in accordance with U.S. generally accepted accounting principles.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Subsequent Events

Subsequent events have been evaluated through March 20, 2016, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

NOTE 2. CASH AND INVESTMENTS

The Telecommunications Board's deposits in banks at June 30, 2015 and 2014 were entirely covered by Federal Depository Insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Telecommunications Board is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers' acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2015 and 2014, the Telecommunications Board had investments in the Iowa Public Agency Investment Trust that are valued at an amortized cost of \$15,845 and \$15,844, respectively, pursuant to Rule 2a-7 under the Investment Company Act of 1940.

At June 30, 2015 and 2014, as a result of a demutualization, the Telecommunications Board had an investment in available-for-sale common stock that had a fair value of \$0 and \$19,637, respectively, at each year-end. The Telecommunications Board sold the available-for-sale common stock on October 27, 2014. The balance of this investment is not included within the cash basis net position of the Telecommunications Board.

Interest rate risk – The Telecommunications Board's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the Telecommunications Board.

Credit risk – The Telecommunications Board's investment in the Iowa Public Agency Investment Trust is unrated.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN

Plan Description - IPERS membership is mandatory for employees of the Telecommunications Board, except for those covered by another retirement system. Employees of the Telecommunications Board are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (CONTINUED)

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the Telecommunications Board contributed 8.93 percent for a total rate of 14.88 percent.

The Telecommunications Board's contributions to IPERS for the year ended June 30, 2015 were \$31,106.

Collective Net Pension Liabilities, Collective Pension Expense, and Collective Deferred Outflows of Resources and Collective Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the Telecommunications Board's liability for its proportionate share of the collective net pension liability totaled \$194,716. The collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of that date. The Telecommunications Board's proportion of the collective net pension liability was based on the Telecommunications Board's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the Telecommunications Board's proportion was 0.004896 percent, which was a decrease of 0.000297 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015 the Telecommunications Board collective pension expense, collective deferred outflows and collective deferred inflows totaled \$9,698, \$41,815 and \$95,187, respectively.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued) - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US Equity	23 %	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100 %	

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Telecommunications Board will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Telecommunications Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Telecommunications Board's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Telecommunications Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Telecommunications Board's proportionate share of the net pension liability	\$ 367,910	\$ 194,716	\$ 48,522

NOTES TO FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

NOTE 4. RISK MANAGEMENT

The Telecommunications Board is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. These risks are covered by the purchase of commercial insurance. The Telecommunications Board assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 5. OPERATING LEASE AGREEMENT

The Telecommunications Board entered into a lease for a copy machine during the fiscal year ended June 30, 2011. The lease has been classified as an operating lease. The lease requires monthly payments of \$104 and expires during the month of August 2016.

The following is a schedule of future minimum rental payments required under the operating lease that has an initial or remaining non-cancelable lease term in excess of one year as of June 30, 2015:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 1,248
2017	208
2018	-
2019	-
2020	-
	<hr/>
Total	<u><u>\$ 1,456</u></u>

Rental disbursements for the years ended June 30, 2015 and 2014 totaled \$1,248 each year.

NOTE 6. COMPENSATED ABSENCES

The Telecommunications Board's employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement or death. This accumulation is not recognized as a disbursement by the Telecommunications Board until used or paid. The Telecommunications Board's approximate liability for earned vacation payable to employees at June 30, 2015 and 2014 was \$7,251 and \$6,839, respectively. This liability has been computed based on rates of pay in effect at June 30, 2015 and 2014, respectively.

OTHER INFORMATION

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

**SCHEDULE OF WEBSTER COUNTY METROPOLITAN LAW
ENFORCEMENT TELECOMMUNICATIONS BOARD'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Iowa Public Employees' Retirement System

Last Fiscal Year *

(In Thousands)

Other Information

Telecommunications Board's proportion of the net pension liability		0.004896%
Telecommunications Board's proportionate share of the net pension liability	\$	195
Telecommunications Board's covered-employee payroll	\$	314
Telecommunications Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll		62.10%
Plan fiduciary net position as a percentage of the total pension liability		87.61%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Telecommunication Board will present information for those years for which information is available.

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

**SCHEDULE OF WEBSTER COUNTY METROPOLITAN LAW
ENFORCEMENT TELECOMMUNICATIONS BOARD CONTRIBUTIONS**

**Iowa Public Employees' Retirement System
Last Ten Fiscal Years
(In Thousands)
Other Information**

	2015	2014	2013	2012
Statutorily required contribution	\$ 31	\$ 28	\$ 29	\$ 25
Contributions in relation to the statutorily required contribution	(31)	(28)	(29)	(25)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Telecommunications Board's covered-employee payroll	\$ 347	\$ 314	\$ 334	\$ 310
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%

See accompanying independent auditor's report

2011		2010		2009		2008		2007		2006	
\$	20	\$	21	\$	18	\$	17	\$	15	\$	15
(20)		(21)		(18)		(17)		(15)		(15)	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	288	\$	316	\$	283	\$	281	\$	261	\$	261
6.95%		6.65%		6.35%		6.05%		5.75%		5.75%	

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

NOTES TO OTHER INFORMATION – PENSION LIABILITY

Changes of Benefit Terms

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of Assumptions

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

NOTES TO OTHER INFORMATION – PENSION LIABILITY (CONTINUED)

Changes of Assumptions (Continued)

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF A FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF A FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of the Webster County Metropolitan
Law Enforcement Telecommunications Board:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, the financial statement of the Webster County Metropolitan Law Enforcement Telecommunications Board as of and for the years ended June 30, 2015 and 2014, and the related notes to financial statements, and have issued our report thereon dated March 20, 2016. Our report expressed an unmodified opinion on the financial statement, which was prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Webster County Metropolitan Law Enforcement Telecommunications Board's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Webster County Metropolitan Law Enforcement Telecommunications Board's internal control. Accordingly, we do not express an opinion on the effectiveness of Webster County Metropolitan Law Enforcement Telecommunications Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of Webster County Metropolitan Law Enforcement Telecommunications Board's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Webster County Metropolitan Law Enforcement Telecommunications Board's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Telecommunications Board's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement of the Telecommunications Board. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Webster County Metropolitan Law Enforcement Telecommunications Board's Responses to Findings

Webster County Metropolitan Law Enforcement Telecommunications Board's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Webster County Metropolitan Law Enforcement Telecommunications Board's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Telecommunications Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Telecommunications Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schnur & Company, LLP

Fort Dodge, Iowa
March 20, 2016

**WEBSTER COUNTY METROPOLITAN
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

SCHEDULE OF FINDINGS

Year ended June 30, 2015

FINDINGS RELATED TO THE FINANCIAL STATEMENT:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

- (1) Questionable Disbursements – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (2) Travel Expense – No disbursements of Telecommunications Board money for travel expenses of spouses of Board officials or employees were noted.
- (3) Board Minutes – No transactions were found that we believe should have been approved in the Telecommunications Board minutes but were not.
- (4) Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Telecommunication Board’s investment policy were noted.